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PROPOSED ATTORNEYS FOR DEBTOR

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:

PRO SOUTH, INC.,

Debtor.

§
§
§
§
§

**CASE NO. 19-42427-btr
Chapter 11**

DEBTOR'S EMERGENCY MOTION FOR USE OF CASH COLLATERAL

NO HEARING WILL BE CONDUCTED ON THIS MOTION UNLESS A WRITTEN OBJECTION IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AND SERVED UPON THE PARTY FILING THIS PLEADING WITHIN FOURTEEN (14) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH OBJECTION. IF NO OBJECTION IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF AN OBJECTION IS FILED AND SERVED IN A TIMELY MANNER, THE COURT WILL THEREAFTER SET A HEARING. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR OBJECTION MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

COMES NOW Pro South, Inc., the Chapter 11 Debtor in the above styled and referenced bankruptcy case (the "Debtor"), and files this its Emergency Motion for Use of Cash Collateral

pursuant to 11 U.S.C. § 363 of the Bankruptcy Code and in support of same would respectfully show the following:

1. On September 4, 2019, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor is now operating its business and managing its property as a debtor in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner and no official committee has been appointed.

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Debtor requests the Court to enter an Interim Order for Use of Cash Collateral in the form attached hereto as **Exhibit “A.”**

4. Debtor has an immediate need to use the cash collateral of Regions Bank, Wells Fargo Bank, Internal Revenue Service, Axis Capital, Inc., Capital Merchant Services, LLC, Cash Capital Group, LLC, Cash Crunch, CB&S Bank, Commercial Credit Group, Inc., Enhanced Capital Mississippi Fund, LLC, Main Street Merchant Services, Inc., Packaging Corporation of America, Supersonic Funding (the “Secured Lenders”), the Debtor’s secured creditors claiming liens on Debtor’s personal property including accounts. The Debtor can adequately protect the interests of the Secured Lenders as set forth in the proposed Interim Order for Use of Cash Collateral by providing the Secured Lenders with post-petition liens, a priority claim in the Chapter 11 bankruptcy case, and cash flow payments. The cash collateral will be used to continue the Debtor’s ongoing operations. The Debtor operates a woodyard and sawmill located at 619 Highway 30 East, Booneville, Mississippi 38829. The Budget attached to the proposed

Order permits the payment of ongoing operating expenses of the Debtor in order to allow the Debtor to maintain its operations in Chapter 11. The Debtor intends to rearrange its affairs and needs to continue to operate in order to pay its ongoing expenses, pay its employees, generate additional income and to propose a plan in this case. The Debtor's proposed Two-Week Budget is attached hereto as **Exhibit "B."**

1. The Debtor filed a prior Chapter 11 case. The case was dismissed because the Debtor failed to timely file its schedules and related documents. Debtor believes its situation has improved since it now has employed the services of highly experienced counsel to assist it in complying with the requirements of Chapter 11 and the preparation and proposal of a plan of reorganization.

2. This is an emergency matter since the Debtor has no outside sources of funding available to it and must rely on the use of cash collateral to continue its operations.

WHEREFORE, PREMISES CONSIDERED, the Debtor respectfully requests that this Court enter an Interim Order for Use of Cash Collateral in the form attached hereto as **Exhibit A** and for such other and further relief to which the Debtor may be justly entitled.

Dated: September 13, 2019.

Respectfully submitted,

/s/ Joyce W. Lindauer

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on September 13, 2019, a true and correct copy of the foregoing document was served via email pursuant to the Court's ECF system upon the parties listed below, and upon the parties on the attached service list in the manner indicated.

George H. Barber on behalf of Creditor Regions Bank

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US Trustee

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/s/ Joyce W. Lindauer

Joyce W. Lindauer

Label Matrix for local noticing
0540-4

Case 19-42427
Eastern District of Texas
Sherman

Fri Sep 13 17:50:52 CDT 2019

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Enhanced Capital Mississippi Fund, LLC
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H & E Equipment Services
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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Comptroller of Public Accts
Rev Acctg Div/Bankruptcy Dept
PO BOX 13528
Austin, TX 78711

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Grits Capital

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Bypassed recipients	1
Total	44